

City of Detroit

CITY COUNCIL

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TO: Graham W.J. Beal, Director
Arts Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 30, 2007

RE: 2007-08 Budget Analysis

14.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-08 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Pamela Scales, Budget Department Director
Tanya Stoudemire, Budget Department Team Leader
Roger Short, Finance Department Director
Loren Lau, Chief Financial Officer -DIA
Kandia Milton, Mayor's Office

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Arts/DIA

FY 2007-2008 Budget Analysis by the Fiscal Division

Summary

The proposed General Funding Subsidy in the Mayor's 2007-2008 Proposed Budget is \$0, which is the same amount reflected in the fiscal year 2006-2007 budget. The proposed budget recommends \$99,000 in Capital Improvements to the Art Institute.

Bond Issue

The proposed \$99,000 for Capital Improvements is comprised of \$99,000 from capital reinvestment. Capital reinvestment is based on the interest earned on bonds. The capital funds will be used to implement projects as outlined in the agency's Master Plan. The Bond Issue history is detailed below.

00992 - Capital Improvement Bonds – DIA	FY 2007-08 Budget	FY 2006-07 Recommended	Increase (Decrease)
Acquisition - Buildings	\$ 0	\$ 142,000	\$ (142,000)
Capital Reinvestment	99,000	150,000	(51,000)
Total	\$ 99,000	\$ 292,000	\$ (193,000)

2006-2007 Surplus/Deficit

There is no projected surplus/deficit in the recommended budget.

Personnel and Turnover Savings

The Mayor's Proposed 2007-2008 Budget does not recommend any change in staff for the DIA. The number of employees is the same as last year.

Appropriation/Program	Budgeted Positions FY 2006-07	Filled Positions 3/31/2007	Mayor's Budget Positions FY 2007-08	Mayor's Over/(Under) Actual to 06/07 Budget	Mayor's Recommended Turnover
Arts (11):					
00002 Museum Management	0	1	0	1	\$ -
00004 Curatorial/Support Opns.	0	0	0	0	\$ -
00005 Museum Programs	0	0	0	0	\$ -
05809 Founders Perform. Grant	0	0	0	0	\$ -
11XXXX Leave of Absence	0	0	0	0	\$ -
11XXXX Worker's Comp.	0	0	0	0	\$ -
11XXXX Unmatched Positions	0	0	0	0	\$ -
11XXXX Non-Active Status	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ -</u>
TOTAL	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>\$ -</u>

Issues and Questions

1. Have there been any unforeseen delays in the renovation project?
2. Are there any anticipated cost overruns due to unforeseen complications to the renovation project?
3. Do you have a projected date on when you will need additional funds from the un-issued general obligation bonds to cover future project costs?
4. How has the expansion of the DIA benefited the museum and the City over the past year?
5. Has patronage increased since portions of the museum renovations have been completed?
6. Why does the PPS report as of March 31, 2007 show one position under Appropriation 00002 Museum Management?
7. What is the current projected date for expansion completion?
8. What major shows are planned to occur in 2007-08?
9. Please provide the DIA budget 2006-07 and 2007-08, if it is available.